



**ఆంధ్రప్రదేశ్ రాజ పత్రము**  
**THE ANDHRA PRADESH GAZETTE**  
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**PART VII EXTRAORDINARY**

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**NOTIFICATIONS BY GOVERNMENT**

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**PANCHAYAT RAJ & RURAL DEVELOPMENT DEPARTMENT**  
**(VIG.V)**

**Memo.No.15006/VIG.V/2009.**

**Dated: 09.03.2022.**

ALLEGATION OF EMBEZZLEMENT OF FUNDS - ARTICLE OF CHARGES FRAMED AGAINST Sri CH. SUBRAHMANYAM, FORMER DISTRICT PANCHAYAT OFFICER, KRISHNA DISTRICT AND Sri K.V.S. SATYANARAYANA, ADMINISTRATIVE OFFICER, O/o DPO., KRISHNA DISTRICT (NOW RETIRED) - CASE ENTRUSTED TO COI - APPOINTED INQUIRING AUTHORITY - ENQUIRY REPORT COMMUNICATED TO THE CHARGED OFFICER - EXPLANATION CALLED FOR.

- Ref: 1. G.O.Rt.No.1114, PR&RD (Vig.IV) Department, dated 03.8.2009.  
2.Charge Memo.No.7949/CPRE&RE/G1/2008, dated 26.8.2009.  
3.G.O.Rt.No.1255, PR&RD(Vig.IV) Department, dated.30-07-2013.  
4.G.O.Rt.No.530, PR&RD(Vig.V) Department, dated 6-10-2021.  
5.D.O.Letter.No.94/COI-RPT/2021, Dt.31.01.2022 along with Enquiry Report received from the COI, AP Secretariat.

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In the reference 1<sup>st</sup> cited, the Government have framed AOCs against Sri Ch.Subrahmanyam, as he had deliberately violated conduct Rule 3 of APCS (Conduct) Rules, 1964, on allegations of misappropriated an amount of Rs. 1,30,85,068/- relating to sand seignorage while working as D.P.O., Krishna Dist., Machilipatnam and transferred the Government funds to a private bank in violation of Govt., rules, during Full Additional Charge for the post of Chief Executive Officer, and Dy. Chief Executive Officer, under Rule 20 of the Andhra Pradesh Civil Service (CC&A) Rules, 1991.

2. The Charged Officer has not submitted his WSD. Hence, as requested by the Commissioner, PR&RE, the Government have entrusted the case to Commissioner of Inquiries to conduct common enquiry on the charges framed against the Charged Officers Sri Ch. Subrahmanyam, former District Panchayat Officer, Krishna (now under suspension) and Sri K.V.Satyanarayana, Administrative Officer, O/o. the District Panchayat Officer, Krishna (now Retired), under Rule 20 (2) of the Andhra Pradesh Civil Service (Classification, Control & Appeal) Rules, 1991, vide reference 3<sup>rd</sup> cited.

3. In the reference 5<sup>th</sup> cited the Enquiry Officer, Commissionerate of Inquiries, after conducting a detailed enquiry, submitted his report to the Government.

4. Hence, a copy of the Enquiry Report is herewith communicated to the Charged Officer Sri Ch. Subrahmanyam, former District Panchayat Officer, Krishna District, under Rule 21(2) of APCS (CC&A) Rules, 1991. He is directed to submit his comments if any, on the findings of the inquiry officer to Government within 15 days from the date of receipt of the Memo. If no comments were received within the stipulated time, it will be construed that he has no comments to submit and further action will be taken as per rules in the matter and as per the material available with the Government.

**GOPAL KRISHNA DWIVEDI,**  
*Principal Secretary to Government.*

To:

Sri Ch. Subrahmanyam, former District Panchayat Officer, Krishna District **through** the Commissioner, PR&RD, Tadepalli, Guntur. (The Commissioner, PR&RD, with a request to communicate the Memo to the C.O. and furnish the dated ack., to Government).

**Report of inquiry into the charges framed against Sri Ch.Subrahmanyam, former District Panchayat Officer, Krishna Dist. at Machilipatnam and another.**

The Government in Panchayat Raj and Rural Development (Vig.V) Department vide G.O.Rt.No.530, dated 6-10-2021 under sub-rule (2) of Rule 20 of the Andhra Pradesh Civil Services (Classification, Control & Appeal) Rules, 1991 have appointed Sri R.P.Thakur, I.P.S.(Retd.), Member, Commissionerate of Inquiries as Inquiring Authority in place of Sri R.P.Sisodia, I.A.S., the then COI and Inquiring Authority, to inquire into the charges framed against Sri Ch.Subrahmanyam, former District Panchayat Officer, Krishna Dist. at Machilipatnam and Sri K.V.S.Satyanarayana, Administrative Officer, office of the District Panchayat Officer, Krishna Dist. at Machilipatnam (now retired) on the allegations of embezzlement of funds. The Government have also appointed Sri Sarva Srinivasa Rao, Advocate as Presenting Officer in place of Sri A.S.R.Krishna Rao, Advocate to present the case before the Inquiring Authority on behalf of the Disciplinary Authority under Rule 20(5)(c) of APCS (CC&A) Rules, 1991 vide G.O.Rt.No.1322, PR&RD (Vig.V) Dept., dt.30-11-2018.

Accordingly, during the course of inquiry, the plea of CO-2 was recorded on 2-6-2015 and CO-1 on 28-9-2015 by the then Inquiring Authorities under sub-rule (9) of Rule 20 of the APCS (CC&A) Rules, 1991 wherein both the COs have denied the charges framed against them. CO-1 has engaged the services of Sri Surendra Desai, Advocate, Hyderabad as his Defense Counsel to defend his case before the Inquiring Authority by filing Vakalat, dt.17-9-2016 before the then Inquiring Authority and CO-2 has engaged the services of Sri S.V.Subrahmanyam, Advocate, Eluru, West Godavari Dist. as his Defense Counsel to defend his case before the Inquiring Authority by filing representation, dt.7-7-2021 before the then Inquiring Authority.

Further, no Listed Witnesses are cited in Annexure-III, enclosed to the Articles of Charges framed against the COs. But during the course of inquiry, the then PO has proposed two witnesses to be examined, viz.Sri C.Sankara Reddy, the then Additional Commissioner of Panchayat Raj and Sri K.Rajasekhar Rao, the then Chief Accounts Officer, office of the Commissioner of Panchayat Raj, A.P., Hyderabad. Accordingly, Sri K.Rajasekhar Rao, the then Chief Accounts Officer, office of the Commissioner of Panchayat Raj, A.P., Hyderabad was examined and his deposition was recorded as PW-1 on 6-12-2017 and Ex.P1 was also marked from prosecution side by the then Inquiring Authority but none of the COs were present on the said date of hearing. On receipt of reassignment orders from the Disciplinary Authority, the case was posted for hearing by this forum and examined Sri C.Sankara Reddy, the then Additional Commissioner of Panchayat Raj, office of the Commissioner of Panchayat Raj and his deposition was recorded as PW-2 on 22-12-2021 and Exhibits P2 to P4 were marked from prosecution side and Exhibit D1 is marked from defense side. On the said date of hearing CO-1 was absent and

CO-2 was present along with his Defense Counsel. Later, CO-2 was examined under sub-rule (16) and (17) of Rule 20 of APCS (CC&A) Rules, 1991 on 22-12-2021 under which none of the witnesses were proposed by CO-2 in support of his defense. CO-1 was absent from hearings posted by this forum without valid reasons continuously on 2-6-2015, 18-8-2015, 30-10-2015, 19-4-2016, 10-8-2016, 17-4-2017, 6-12-2017, 13-12-2017, 7-8-2018, 10-9-2018, 31-10-2018, 9-1-2019, 25-2-2019, 28-7-2021, 18-10-2021, 9-11-2021, 7-12-2021, 22-12-2021 and 6-1-2022. Therefore, the case against CO-1 is taken as ex parte under sub-rule 20 of Rule 20 of APCS (CC&A) Rules, 1991 vide Case Diary orders, dt.6-1-2022 of Inquiring Authority. Thereafter, on the request of the Inquiring Authority, the Presenting Officer has filed his written arguments in respect of the charges framed against both the charged officers before the Inquiring Authority on 10-1-2022 and a copy of the same was given to CO-2 with a request to file his written arguments, if any, before this forum on 24-1-2022. Accordingly, CO-2 has filed his written arguments before this forum on 24-1-2022. Later, the Report of Inquiry has been prepared as hereunder under sub-rule (18) of Rule 20 of APCS (CC&A) Rules, 1991.

The report of inquiry mainly consists of 4 parts:

1. Case of the Disciplinary Authority.
2. Case of the Charged Officers.
3. Analysis and Assessment and
4. Findings.

The case of the Disciplinary Authority consists of (1) Articles of Charges framed against the charged officers by the Disciplinary Authority (2) Written Arguments of the Presenting Officer filed before the Inquiring Authority. The case of the charged officers is confined to Written Arguments filed by them before the Inquiring Authority after receipt of copy of written arguments of the Presenting Officer.

**(A) Case of the Disciplinary Authority:**

**1. Articles of Charges framed against Sri Ch. Subrahmanyam, former District Panchayat Officer, Krishna Dist. at Machilipatnam vide G.O.Rt.No.1114, PR&RD (Vig.IV) Dept., dt.3-8-2009.**

**Articles of Charge-I:** That Sri Ch. Subrahmanyam, former Dist. Panchayat Officer, Krishna Dist. at Machilipatnam misappropriated an amount of Rs.1,30,85,068/- relating to sand seignorage while working. Thus, he had deliberately violated the Conduct Rule 3 of A.P.C.S.(Conducts) Rules, 1964.

**Basis of charge:** Sri Ch. Subrahmanyam, worked as Dist. Panchayat Officer, Krishna, Machilipatnam w.e.f. 25-02-09 to 17-07-2009. The connected bank accounts from which the funds were withdrawn irregularly by giving U.O. notes to the Administrative Officer as well as to the concerned Assistant were verified w.r.t. the statement given by the concerned Bank Managers.

It is found that the following amounts were kept with the DPO, Krishna because of pendency of court cases:



Nimagadda sand reach - Rs. 9,46,000/-  
 Bobbarlanka sand reach - Rs. 9,80,000/-  
 Pedapulipaka sand reach - Rs. 43, 70,000/-  
 Mulapadu sand reach - Rs. 1,26,00,000/-

The irregular withdrawal made by Sri Ch.Subrahmanyam in the capacity of Dist., Panchayat Officer, Krishna, Machilipatnam are as follows:-

**Nimmagadda Sand Reach of Challapalli Mandal:** The reach was auctioned for Rs.38,00,000/- and the sale was confirmed to the highest bidder. The highest bidder has paid 25% of the bid amount i.e., Rs. 9,46,000/- and the Hon'ble High Court has issued stay orders in WP MP No.3192/06 in WP No.24937/06, dt.1-12-2006 not to proceed with the leasing of the sand reach. Hence the amount was deposited in Andhra Bank, ZP Branch, Machilipatnam in A/c.No.ABSF 2005 0003 which was opened on 2-11-2005. There is no misappropriation or mis-utilisation till the assumption of charge by Sri Ch.Subramanyam on 25-2-2009.

**Bobbarlanka sandreach of Mopidevi Mandal:** The reach was auctioned for Rs.31,00,500/- and the sale was confirmed to the highest bidder. The highest bidder paid an amount of Rs.9,80,000/- within the time stipulated and the Hon'ble High Court issued stay orders in WP MP No.3192/06 in WP No.24937/2006, dt.1-12-2006 not to proceed with the leasing of the sand reach and hence the amount was deposited in Andhra Bank ZP Branch, Machilipatnam in A/c No.ABSF 2005 0003, which was opened on 2-11-2005. There is no misappropriation or misutilisation till the assumption of charge by Sri Ch.Subramanyam on 25-2-2009.

The DPO has instructed the Administrative Officer through U.O.Note to prepare a cheque for total Rs.19,26,000/- from Andhra Bank. Accordingly, the Administrative Officer has prepared a cheque for Rs.19,26,000/- requesting to issue the D.D. But contrary to this, Sri Ch.Subramanyam, DPO obtained three D.Ds worth Rs.9,00,000/- , Rs.9,00,000/- and Rs.1,26,000/- and opened a new account with Syndicate Bank, Machilipatnam with the said D.D. without obtaining any orders from the Sand Auction Committee and drawn the amounts as shown below:

Date of Withdrawal	Amount withdrawn	Nature of withdrawal	Balance available
30-03-2009	Opened Account with 3 DDs		19,26,000-00
06-04-2009	25,000-00	Self	19,01,000-00
13-04-2009	25,000-00	Self	18,76,000-00
16-04-2009	30,000-00	Self	18,46,000-00
17-07-2009	8,00,000-00	Self	10,46,000-00
21-07-2009	5,00,000-00	Self	5,46,000-00

It is pertinent to mention here that he had withdrawn Rs.5,00,000/- on 21-7-2009 i.e., after his relief as DPO on the A.N. of 17-7-2009.

As such an amount of Rs.13,80,000/- was withdrawn by Sri Ch. Subramanyam, DPO without any official record and thereby misappropriated for his personal ends.

**Pedapulipaka Sandreach of Penamaluru Mandal:** The District Level Sand Committee has decided to conduct the public auction on the lease amount enhancing the 15% of the last bid amount. The

highest bidder has paid the entire lease amount of Rs.43,70,000/- and the work orders were also issued. The Hon'ble High Court has issued stay orders not to allow the lessee for the transportation of sand until further orders for want of ground water level report and arrangement of Ramps. Hence the amount was deposited with ING Vysya Bank in ongoing account No.38601007730, which was opened on 1-8-2003. There is no misappropriation or misutilisation till the assumption of charge by Sri Ch.Subrahmanaym on 25-02-2009.

The DPO has obtained a D.D. for Rs.43,70,000/- from ING Vysaya Bank and opened a new account with Axis Bank, Machilipatnam with the DD obtained from ING Vysya Bank and the same was withdrawn from 31-3-2009 to 10-7-2009 in regular intervals as shown below:

Date of Withdrawal	Amount withdrawn	Amount deposited	Nature of withdrawal	Balance available
31-03-2009	Opening account			43,70,000-00
31-03-2009	50,000-00		Self	43,20,000-00
06-04-2009	25,000-00		Self	42,95,000-00
13-04-2009	35,000-00		Self	42,60,000-00
25-04-2009	80,000-00		Self	41,80,000-00
11-5-2009	80,000-00		Self	41,00,000-00
12-05-2009	2,25,000-00		Self	38,75,000-00
13-05-2009	2,25,000-00		Self	36,50,000-00
19-05-2009	1,50,000-00		Self	35,00,000-00
30-05-2009	2,00,000-00		Self	33,00,000-00
01-06-2009	3,00,000-00		Self	30,00,000-00
06-06-2009	-	85,000-00	-	30,85,000-00
25-06-2009	3,00,000-00	-	Self	25,85,000-00
30-06-2009	-	29,940-00	-	28,14,940-00
10-07-2009	28,14,940-00		Self	00

The account was closed on 10-7-2009. The drawals were made directly by Sri Ch.Subramanayam without the knowledge of the office and thereby misappropriated for his personal ends. The pay order for Rs.28,14,940/- was deposited with Indian Bank, Governorpet Branch, Vijayawada. Hence the total amount drawn and misappropriated for his personal ends is Rs.15,55,070/-.

**Mulapadu Sandreach of Ibrahimpatnam Mandal:** The reach was auctioned for Rs.1,26,00,000/- and the highest bidder has paid the entire bid amount and the work order was also issued for the transportation of sand. The Hon'ble High Court has issued interim orders not to allow the lessee to lift the sand from the reach for want of ground water level report and arrangement of rams. Hence the amount was deposited with Indian Bank, Governorpet Branch, Vijayawada in ongoing account No., which was opened on 29-08-2003 There is no misappropriation or misutilisation till the assumption of charge by Sri Ch. Subrahmanaym on 25-02-2009.

That Sri Ch.Subramanayam, DPO has takenover the connected records i.e., pass book, cheque book, cash book of the bank account by issuing an U.O.Note with proper acknowledgment with

the concerned Junior Asst. and drawn the amounts from the Indian Bank, Governorpet Branch, Vijayawada through cheques. An amount of Rs.1,55,03,766/- was available with the account as on 30-3-2009 at the time of handingover the cheque book, pass book, cash book by the concerned assistant. Sri Ch.Subramanyam, DPO started withdrawals from 31-3-2009 and continued upto 17-7-2009. On 22-7-2009, he tried to withdraw an amount of Rs.5,00,000/- through a bogus person named Sri Ch.Venkateswarlu impersonating as Attender, O/o.DPO, Krishna. But failed as the present DPO has ordered for stoppage of cheque presented for withdrawal when the matter was reported by the Bank Manager concerned over phone. Thus, he has withdrawn and misappropriated a total amount of Rs.1,01,49,998/- for his personal ends from the said account as shown below:

Date of Withdrawal	Amount withdrawn	Amount deposited	Nature of withdrawal	Balance available
Balance available as on 31-01-09				1,55,03,766-00
31-03-2009	9,95,000-00		Ch.Sanjeev Kumar	1,45,08,766-00
31-03-2009	9,90,000-00		Ch.Sanjeev Kumar	1,35,18,766-00
31-03-2009	9,95,000-00		T.Subrahmanyam	1,25,23,766-00
31-03-2009	9,90,000-00		T.Subrahmanayam	1,15,33,766-00
31-03-2009	9,95,000-00		B.Rama Krishna	1,05,38,766-00
31-03-2009	9,85,000-00		B.Rama Krishna	95,53,766-00
17-07-2009	42,00,000-00		Self	53,53,766-00
22-07-2009	5,00,000-00		Self	48,53,766-00
22-07-2009		5,00,000-00		53,53,766-00

The Administrative Officer has prepared a cheque for Rs.1,26,00,000/- from Indian Bank, Governorpet Branch, Vijayawada on requesting to issue DD in favour of DPO., Krishna. The cheque was neither presented in the Indian Bank, to obtain the DD nor returned the cheque to the office. At present, the balance available in the said account is Rs.53,53,766/- only and hence there is no scope to present the cheque. However, the concerned bank manager is directed not to honour the said cheque if it is presented.

Regarding the maintenance of cash book of accounts operated in connected banks, it is noticed as follows:-

**Indian Bank, Governorpet Branch, Vijayawada:** Cash book, pass book and cheque book against this account are not produced by the office during enquiry and it was informed the above are available with Sri Ch.Subrahmanyam, former DPO, Krishna Dist. at Machilipatnam, The staff of O/o.the DPO, Krishna Dist. at Machilipatnam produced the acknowledgement, given by the DPO, to that effect.

**Andhra Bank, Machilipatnam:** Cash book, cheque book and pass book are maintained and available with the office. The balance as on 25-7-2009 as per the bank statement is Rs.34,60,288/-

**INV Vysya Bank, Machilipatnam:** Cash book, pass book and cheque book are available in the office and the balance as on 1-4-2009 is Rs.20,77,374/-.

The following amounts were misappropriated by Sri Ch.Subrahmanyam for his personal ends:

Sl.No.	Bank from which irregularly withdrawn	Amount irregularly withdrawn
1.	Andhra Bank, Z.P.Branch, Machilipatnam (Syndicate Bank)	13,80,000-00
2.	ING Vysya Bank, Machilipatnam (Axis Bank)	15,55,070-00
3.	Indian Bank, Governorpet, Vijayawada	1,01,49,998-00
	Total:	1,30,85,068-00

An account was opened with the Syndicate Bank, Machilipatnam, through the funds drawn from Andhra bank, ZP Branch, Machilipatnam and an account was opened with Axis Bank, Machilipatnam through the funds drawn from ING Vysya Bank, and both accounts were operated by Sri Ch.Subramanahyam, DPO., alone without knowledge of either the O/o.the DPO, Krishna or the Collector which is a grave irregularity.

**Articles of Charge-II:** That Sri Ch.Subrahmanyam, District Panchayat Officer, Krishna and holding Full Additional Charge of the post of Chief Executive Officer and Dy.Chief Executive Officer, during full additional charge period had transferred the Government funds to a private bank in violation of Govt. rules. Thus he had deliberately violated the conduct Rule 3 of APCS (Conduct) Rules, 1964.

**Basis of the Charge:** In the cash book of general funds of Krishna Zilla Praja Parishad General Fund against voucher No.162, dt.11-05-2009, an amount of Rs.1,59,56,531/- against Cheque No.000580 of SBI, Machilipatnam was transferred to Axis Bank, Machilipatnam towards transfer of sand seigniorage amount for the Gram Panchayats for the year 2008-2009.

The transfer of the above mentioned amount to Axis Bank, Machilipatnam, is highly irregular. Since the normal establishment practice is to transfer the funds to the respective Gram Panchayats by raising Demand Drafts from the General Funds itself against the respective share of the Gram Panchayats.

There are no orders of the Zilla Praja Parishad to open such bank account in the name of Deputy Chief Executive Officer for such transfers. Thus, it is evident that the Dy.CEO and CEO (FAC), Sri Ch.Subrahmanyam has acted with malafide intensions and against the established practices/procedures as stated above.

As seen from the statement of Axis Bank Ltd., Machilipatnam, Cheques were also issued in between 20-07-2009 to 21-07-2009 to Sarpanches while the Dy.CEO (FAC) got relieved himself on the Afternoon of 17-07-2009.

That the Axis Bank, Machilipatnam pass books and cheque books were retained by him and were handedover to the section only after his relief which is not only irregular but also speaks his malafide intensions. The statements obtained from the Section Superintendent and Senior Assistants i.e., Sri D.Krishna Murthy, Superintendent and Sri Sk.Attavullah, Senior Asst., Sri M.L.Sudarshana Rao, Senior Asst., amply reflects how the former Full Additional Charge Dy.Chief Executive Officer/Chief Executive Officer coerced the staff and opened an account in the Axis Bank Ltd., Machilipatnam in the name of Dy.Chief Executive Officer, Zilla Praja Parishad, Krishna Dist., Machilipatnam.

**2. Articles of Charges framed against Sri K.V.S. Satyanarayana, former Administrative Officer, O/o. District Panchayat Officer, Krishna Dist. at Machilipatnam vide Charge Memo No. 7949/CPR&RE/G1/2008, dt. 26-8-2009 of Commissioner of PR&RE, A.P., Hyderabad.**

**Articles of Charge-I:** That Sri K.V.S. Satyanarayana, Administrative Officer, O/o. District Panchayat Officer, Krishna Dist. had blindly prepared three cheques requesting for Demand Draft in favour of the District Panchayat Officer, Krishna Dist. without proper verification and without following the rules and procedures prescribed for the process and thereby given scope for misappropriation of Rs. 1,30,85,060/- by Sri Ch. Subrahmanyam, the then District Panchayat Officer, Krishna Dist.

Thus, he had not shown devotion to his duty and not maintained absolute integrity, discipline, impartiality and a sense of propriety and thereby violated Rule 3 of APCS (Conduct) Rules, 1964 and hence he is liable for initiation of disciplinary action under Rule 20 of APCS (CCA) Rules, 1991.

**Articles of Charge-II:** That the cheque bearing No. 540062 for Rs. 1,26,00,000/- from account No. 16632 of Indian Bank, Governorpet Branch, Vijayawada, requesting Demand Draft in favour of District Panchayat Officer, Krishna District was not received by Sri Ch. Subrahmanyam, the then District Panchayat Officer, Krishna Dist. and the cheque was neither available in the office nor presented in the bank.

Sri K.V.S. Satyanarayana, Administrative Officer, O/o. District Panchayat Officer, Krishna Dist. now under suspension is responsible for the above lapse and hence liable for initiation of disciplinary action under Rule 20 of APCS (CCA) Rules, 1991.

**Basis of Charges 1 & 2 :**

The Collector and District Magistrate, Krishna Dist. had submitted that Sri K.V.S. Satyanarayana, Administrative Officer, O/o. District Panchayat Officer, Krishna Dist. at Machilipatnam has prepared three cheques as shown below, basing on an unnumbered U.O. Note given by Sri Ch. Subrahmanyam, the then District Panchayat Officer, Krishna Dist.

- a. A Cheque No. 096835 for Rs. 19,26,000/- from the Account No. ABF SB 20050003 of Andhra Bank, Zilla Parishad Branch, Machilipatnam, requesting for Demand Draft on District Panchayat Officer, Krishna District.
- b. The Cheque No. 540062 for Rs. 1,26,00,000/- from Account No. 16632 of Indian Bank, Governorpet Branch, Vijayawada, requesting Demand Draft in favour of District Panchayat Officer, Krishna District.
- c. A Cheque No. 135391 for Rs. 43,70,000/- from Account No. 386010007730 of ING Vysya Bank Limited, Machilipatnam Branch requesting for Demand Draft on District Panchayat Officer.

In the U.O. Note it was mentioned that the amounts will be deposited in separate Account to settle the amount to the Assistant Director, Mines & Geology,



Vijayawada. Actually the amounts were kept with the banks because of stay orders of Hon'ble High Court on Bobbarlanka, Nimmagadda, Pedapulipaka and Mulapadu sand reaches and hence the same have to be returned either to the highest bidders or to adjust the same to Chief Executive Officer, Zilla Parishad after the disposal of the court cases. The Assistant Director, Mines & Geology is no way concerned with the said amounts. Being Administrative Officer of office of the District Panchayat Officer, Krishna Dist. at Machilipatnam, Sri K.V.S.Satyanarayana has the knowledge of the same. Knowing that the contents in the U.O.Note are not genuine, he has blindly prepared three cheques and handedover.

Further, on the U.O Note and on the acknowledgment the particulars relating to Mulapadu sandreach (for Rs.1,26,00,000/-) were struck off and hence it is crystal clear that the cheque was not received by Sri Ch.Subrahmanyam, the then District Panchayat Officer, Krishna Dist. at Machilipatnam. Surprisingly, the cheque was not available with the office and not presented in the bank.

As per the procedure prescribed, an office note has to be moved and the orders of the District Panchayat Officer have to be obtained with reasons for withdrawal of the moneys from the bank even though U.O.note was issued by the District Panchayat Officer. As such Sri K.V.S.Satyanarayana, Administrative Officer, O/o.District Panchayat Officer, Krishna Dist. at Machilipatnam has not followed any procedure and thereby given scope for misappropriation of Rs.1,30,85,060/- by Sri Ch.Subrahmanyam, the then District Panchayat Officer, Krishna Dist. at Machilipatnam.

Hence the charges.

#### **Depositions:**

The following proposed witnesses were examined as PW-1 and PW-2:

- 1.Sri K.Rajasekhar Rao, Chief Accounts Officer, O/o.Commissioner of PR&RD, A.P., Vijayawada.
- 2.Sri C.Sankara Reddy, Addl.Commissioner (Retd.), O/o.Commissioner of PR&RD, A.P.

#### **Deposition of PW-1:**

Statement of Sri K.Rajasekhar Rao, S/o.K.Sivaramaiah, aged 59 years, Occ: Chief Accounts Officer, O/o.Commissioner of PR&RD, A.P., Vijayawada.

**Examination-in-Chief:** Presently I am working as Chief Accounts Officer, O/o.Commissioner of Panchayat Raj and Rural Development, Nakkala Road, Suryaraopet, Vijayawada since 1<sup>st</sup> January, 2000. I have conducted the preliminary enquiry along with Sri C.Sankara Reddy, Additional Commissioner (Retd.), PR&RD. Based on the instructions of the then Commissioner, Sri K.Chandramouli, I.A.S.(Retd.). We conducted preliminary enquiry and gave report to the Commissioner, PR. The gist of our report is that the CO-1 has misappropriated an amount of Rs.1,30,85,068/-. The misappropriated amount pertains to amount received by auctioning of the sand. The amount was transferred to three personal



accounts of CO-1 and after that he withdrew the amount by way of self cheques and bearer cheques. **Ex.P1** is our report giving all the details about the misappropriation with regards to the sand auctioning amount. Myself and Sri C.Sankara Reddy signed on it. The Collector, Sri S.Kumar sent a report to the Principal Secretary with regard to the enquiry to take necessary action.

**Cross Examination:** The Charged Officers not present.

**Deposition of PW-2:**

Statement of Sri C.Sankara Reddy, S/o.Narayana Reddy, Age: 67 years, Occ: Addl.Commissioner (Retd.), Hyderabad.

**Examination-in-Chief:** While I was working as Additional Commissioner in the O/o.Commissioner, Panchayat Raj as per the instructions of the Commissioner myself and Mr.K.Rajasekhar Rao, Chief Accounts Officer (PW.1) conducted a joint enquiry into the irregularities committed by Sri Ch.Subrhamanyam, DPO, Krishna Dist. I stand by the joint enquiry report given on 29.07.2009 (**Ex.P1**). In that report we have given our remarks categorically. Today I have gone through the copy of the U.O.Note.2 of Administration Officer of this Office and it is found that there is struck off particulars relating to Mulapadu Sand reach and on the acknowledgment also. It is found that there is a struck off in SI.No.3 i.e., Indian Bank, Governerpet Branch, Vijayawada Cheques No.540062, dt.28.03.2009 for Rs.1,26,00,000/- in favour of District Panchayat Officer, Krishna towards Mulapadu Sand Reach lease amount. The said U.O.Note is marked as (**Ex.P2**).The said U.O.Note was enclosed copies of three cheques and the same is marked as (**Ex.P3**) and the acknowledgment is marked as (**Ex.P4**).

**Cross Examination by the Defense Counsel for CO.2:**

Q.1.In your report whether it is mentioned that the CO.2 i.e., K.V.S.Satyanarayana, AO is responsible for the misappropriation of the Govt. funds?

Ans: No.

Q.2. Whether it is noticed in the U.O.Note 3<sup>rd</sup> point was strike off at the time of your enquiry or now the same was mentioned?

Ans: yes.

I have gone through the copy of the letter, dated 30.05.2015 (**Ex.D1**) of Indian Bank, Governerpet Branch and wherein it is mentioned that Cheque No.540062 was not presented at their Branch as per their records.

PW.1 was examined on 06.12.2017 by the then Inquiring Authority. Today, again he was called for the purpose of cross examination by COs. He expressed his inability to attend the enquiry as he is bed ridden and he is not in a position attend the inquiry.

Defense Counsel for CO.2 was informed whether he would like to ask any question (Cross Examination) from PW.2 with regard to the statement of PW.1 as

the enquiry was conducted jointly by PW.1 and PW.2. The defense counsel informed that he does not want to ask any further questions with regard to the statement of PW.1.

CO.1 has been absent for several hearings. It appears that he has no intention of attending enquiry. Hence, the depositions of PW.1 and PW.2 are being sent to CO.1 for giving ample opportunity to cross examine them.

**Re-examination by the Presenting Officer:**

-Nil-

**Written Arguments of Presenting Officer in respect of Articles of Charges framed against Charged Officers:**

It is submitted that:

The following charges have been framed against CO.1:

**Charge No.I:** That Sri Ch.Subrahmanyam former Dist. Panchayat Officer, now Gazetted Instructor (Pts.), E.T.C. Bapatla (under suspension) misappropriated an amount of ₹ 1,30,85,068/- relating to sand seignorage while working as D.P.O., Krishna Dist., Machilipatnam. Thus he had deliberately violated the conduct Rule 3 of A.P.C.S.(Conducts) Rules, 1964.

**Charge-II:** That Sri Ch.Subrahmanyam, District Panchayat Officer Krishna and holding Full Additional Charge for the post of Chief Executive Officer, and Dy. Chief Executive Officer, during full additional charge period had transferred the Government funds to a private bank in violation of Govt. rules. Thus he had deliberately violated the conduct Rule 3 of APCS (Conduct) Rules, 1964.

In the basis of Charges, the Disciplinary Authority categorically mentioned about the irregularities of CO.1 in support of Articles of Charges.

It is submitted that from the initiation of inquiry before the Hon'ble COI, the CO.1 failed to attend the inquiry and not cooperated with the COI. Hence, the Hon'ble COI declared exparte inquiry against CO.1.

To prove the charges, on behalf of Disciplinary Authority, examined PWs.1 & 2 and marked Exs.P.1 to 4.

During inquiry:

PW.1 stated that:

He had conducted the preliminary enquiry along with Sri C.Sankar Reddy, Addl. Commissioner (Retd.), PR&RD. Based on the instructions of the then Commissioner Sri K.Chandramouli, IAS (Retd.), they conducted preliminary enquiry and gave report to Commissioner, PR. The gist of their report is that the CO has misappropriated an amount of ₹1,30,85,068/-. The misappropriated amount pertains to amount received by auctioning of the sand. The amount was transferred

to three personal accounts of the CO and after that he withdrew the amount by way of self cheques and bearer cheques. Ex.P1 is their report giving all the details about the misappropriation with regards to the sand auctioning amount himself and Sri Sankar Reddy signed on it.

The Collector Sri S.Kumar sent a report to the Principal Secretary with regard to the enquiry to take necessary action.

PW-2 stated that:

As per the instructions of the Commissioner himself and Mr.K.Rajasekhar Rao, Chief Accounts Officer (PW.1) conducted a joint enquiry into the irregularities committed by Sri Ch.Subramanyam, DPO, Krishna Dist. and he stands by the joint enquiry report given dt.29.07.2009 (Ex.P.1). In that report they have given their remarks categorically.

Corroborating with PWs.1 & 2 depositions in Ex.P1, it is clearly mentioned that:

On verification of the records the following glaring irregularities have been noticed committed by CO.1:

1) It was noticed in the cash book of General funds of Krishna Zilla Praja Parishad General fund that against voucher No.162, dt.11-05-09 an amount of ₹ 1,59,56,531/- against Cheque No.000580 of SBI, Machilipatnam was transferred to Axis bank, Machilipatnam towards transfer of Sand Seigniorage amount for the Gram Panchayats for the year 2008-09.

2) The transfer of the above mentioned amount to the Axis bank, Machilipatnam is highly irregular. Since the normal establishment practice is to transfer the funds to the respective Gram Panchayats by raising demand drafts from the General funds itself against the respective share of the Gram Panchayats.

3) There are no orders of the Zilla Praja Parishad to open such bank account in the name of Dy.Chief Executive Officer for such transfers. Thus it is evident that the CO.1 has acted with malafide intentions and against the established practices/procedures as stated above.

4) It could also be seen from the statement of Axis Bank limited Machilipatnam that cheques were also issued in between 20th July 2009 to 21 July 2009 to Sarpanches while the Dy.Chief Executive Officer (FAC) got relieved himself on the A.N. of 17-07-2009.

5) That the Axis Bank, Machilipatnam pass books and cheque books were retained by him and were handed over to the section only after his relief, which is not only irregular but also speaks his malafide intentions. The statements obtained from the section Superintendent and Senior Assistants i.e., Sri D.Krishna Murthy, Superintendent and Sri Sk.Atavullah, Senior Asst., Sri M.L.Sudharshana Rao,

Sr.Asst., amply reflects how the former Full Additional Charge Dy.Chief Executive Officer/Chief Executive Officer coerced the staff and opened an account in the Axis Bank Limited, Machilipatnam in the name of Dy.Chief Executive Officer, Zilla Praja Parishad, Krishna Dist., Machilipatnam.

When the issue of Zilla Praja Parishad funds being lodged in a separate bank account by the Dy.Chief Executive Officer (FAC) i.e., Sri Ch.Subrahmanyam was discussed with Dr.K.N.Rao, Honble Chairperson, ZPP, Krishna on 29-07-2009, he informed them that the Chairperson, ZPP, Krishna had also warned the Dy.Chief Executive Officer/Chief Executive Officer (FAC) i.e., Sri Ch.Subrahmanyam to ensure that the amount lodged in the bank account are transferred to the Gram Panchayats in respect of the share of the sand seigniorage. It was also opined by the Chairperson, that it was highly irregular on part of the Dy.Chief Executive Officer/Chief Executive Officer (FAC) i.e., Sri Ch.Subrahmanyam in lodging the funds in a private bank without the knowledge of the Chairperson, ZPP, Krishna Dist. The Chairperson has also informed that only after his intervention by way of strict warning to Sri Ch.Subrahmanyam, Dy.Chief Executive Officer/Chief Executive Officer (FAC) that the transfer of the funds to respective Gram Panchayats on account of Sand Seigniorage could be effected or otherwise the funds of Zilla Praja Parishad in the said private bank could also have been embezzled, putting the Zilla Praja Parishad to great risk.

Thus it could be seen from the above that Sri Ch.Subrahmanyam, Chief Executive Officer/ Dy.Chief Executive Officer (FAC), Zilla Praja Parishad, Krishna, Machilipatnam during the Full Additional Charge period has clearly violated established procedures by opening an account in the Axis Bank, Machilipatnam in the name of Dy.Chief Executive Officer while there are no orders from the ZPP, which calls for Disciplinary action as per rules in vogue.

In Ex.P.1 further mentioned that:

On verification of record, it is found that the following amounts were kept with the District Panchayat officer, Krishna because of pendency of court cases.

1) Nimmagadda sand reach	₹ 9,46,000/
2) Bobbartanka Sand Reach	₹ 9,80,000/
3) Pedapulipaka Sand Reach	₹ 43,70, 000/
4) Mulapadu Sand Reach	₹ 1,26,00,000/

The following is the brief history of the case and the irregular withdrawal made by Sri Ch.Subrahmanyam in the capacity of District Panchayat officer, Krishna, Machilipatnam.

1) Nimmagadda Sand Reach of Challapalli Mandal: The reach was auctioned for ₹ 38,00,000/- and the sale was confirmed to the Highest Bidder. The Highest Bidder has paid 25% of the bid amount i.e. ₹9,46,000/- and the Hon'ble High Court has issued stay orders in WPMP No.3192 of 06 in WP No.24937/2006 dt.1.12.2006 not

to proceed with the leasing of the sand reach. Hence, the amount was deposited in Andhra Bank, ZP Branch, Machilipatnam in Ac.No.ABSF 2005 0003 which was opened on 02-11 2005. There is no misappropriation or mis-utilisation till the assumption of charge by Sri Ch.Subrahmanyam on 25-02-2009. Hence, the account is intact.

2) Bobbarlanka Sand Reach of Mopidevi Manal: The reach was auctioned for ₹ 31,00,500/- and the sale was confirmed to the Highest Bidder. The Highest Bidder has paid an amount of ₹ 9,80,000/- within the time stipulated and the Hon'ble High Court has issued stay orders in WPMP No.3192 of 06 in WP No.24937/2006 dt.1.12.2036 not to proceed with the leasing of the sand reach hence, the amount was deposited in Andhra Bank, ZP Branch, Machilipatnam in Ac.No.ABSF 2005 0003 which was opened on 02-11-2005 There is no misappropriation or mis-utilisation till the assumption of charge by Sri Ch.Subrahmanyam on 25-02-2009.

The District Panchayat Officer, has instructed the Administrative Officer through U.O note to prepare a cheque for total ₹ 19,26,000/- from Andhra Bank. Accordingly, the Administrative Officer has prepared a Cheque for ₹ 19,26,000/- requesting to issue the Demand Draft. But contrary to this Sri Ch.Subrahmanyam obtained three Demand Drafts worth ₹ 9,00,000/-, ₹ 9,00,000/- and ₹ 1,26,000/- and opened a new account with Syndicate Bank, Machilipatnam with the said Demand Draft without obtaining any orders from the Sand Auction Committee and drawn the amounts as shown below:

Date of withdrawal	Amount with drawn	Nature of Withdrawal	Balance available
30-03-2009	Opening Account 3 DDs		19,26,000-00
06-04-2009	25,000-00	Self	19,01,000-00
13-04-2009	25,000-00	Self	18,76,000-00
16-04-2009	30,000-00	Self	18,46,000-00
17-07-2009	8,00,000-00	Self	10,46,000-00
21-07-2009	5,00,000-00	Self	5,46,000-00

In this connection, it is pertinent to mention that he has withdrawn ₹ 5,00,000/- on 21-07-2009 i.e., after his relieve as District Panchayat Officer on the A.N of 17-07-2009.

As such an amount of ₹ 13,80,000-00 was withdrawn by Sri Ch.Subrahmanyam with out any official record and there by misappropriated for his personal ends.

3) Pedapulipaka Sand reach of Penamaluru Mandal: The District Level Sand Committee has decided to conduct the public auction on the lease amount enhancing the 15% of the last bid amount. The highest bidder has paid the entire lease amount of ₹ 43,70,000/- and the work orders were also issued. The Hon'ble High Court has issued stay orders not to allow the lessee for the transportation of



sand until further orders for want of Ground Water level report and arrangement of Ramps. Hence, the amount was deposited with ING Vysya Bank in ongoing Ac.No.38601007730 which was opened on 01-08-2003. There is no misappropriation or mis-utilisation till the assumption of charge by Sri Ch.Subrahmanyam on 25-02.2009,

The District Panchayat Officer has obtained a Demand Draft for ₹ 43,70,000/- from ING Vysya bank and opened a new account with Axis Bank, Machilipatnam with the Demand Draft obtained from ING Vysya Bank for ₹ 43,70,000/- and the same was withdrawn from 31-03-09 to 10-07-09 in regular intervals as shown below.

Date of withdrawal	Amount with drawn	Amount Deposited	Nature of withdrawn	Balance available
31-03-2009	Opening Account			43,70,000-00
31-03-2009	50,000-00		Self	43,20,000-00
06-04-2009	25,000-00		Self	42,95,000-00
13-04-2009	35,000-00		Self	42,60,000-00
25-04-2009	80,000-00		Self	41,80,000-00
11-05-2009	80,000-00		Self	41,00,000-00
12-05-2009	2,25,000-00		Self	38,75,000-00
13-05-2009	2,25,000-00		Self	36,50,000-00
19-05-2009	1,50,000-00		Self	35,00,000-00
30-05-2009	2,00,000-00		Self	33,00,000-00
01-06-2009	3,00,000-00		Self	30,00,000-00
06-06-2009		85,000-00 Cr		30,85,000-00
25-06-2009	3,00,000-00		Self	27,85,000-00
30-06-2009		29,940-00Cr.		28,14,940-00
10-07-2009	28,14,940-00		Self	00

The account was closed on 10-07-2009. The drawals were made directly by Sri Ch.Subrahmanyam without the knowledge of the office and there by misappropriated for his personal ends. The pay order for ₹ 28,14,940/- was deposited with Indian Bank, Governorpet, Vijayawada. Hence, the total amount drawn and misappropriated for his personal ends is ₹ 15,55,070/-.

4) Mulapadu Sand reach of Ibrahimpatnam Mandal: The reach was auctioned for ₹ 1,26,00,000/- and the Highest Bidder has paid the entire bid amount and the work order was also issued for the transportation of sand the Hon'ble High Court has issued interim orders not to allow the lessee to lift the sand from the reach for want of Ground Water level report and arrangement of Ramps. Hence, the amount was deposited with Indian Bank, Governorpet Branch, Vijayawada in ongoing Account No. which was opened on 29-08-2003. There is no misappropriation or mis-utilisation till the assumption of charge by Sri Ch.Subrahmanyam on 25-02-09.

Further, it is submitted that Sri Ch.Subrahmanyam has taken over the connected record i.e., pass book, cheque book, Cash book of the said account by issuing an U.O note with proper acknowledgement to the concerned Junior Assistant and drawn the following amounts from Indian Bank, Governorpeta Branch, Vijayawada through cheques. An amount of ₹ 1,55,03,766/- was available with



the account as on the date i.e., 30-03-09, at the time of handing over the cheque book, pass book, cash book by the concerned Assistant. Sri Ch.Subrahmanyam started withdrawals from 31-03-2009 and continued up to 17-07-2009. On 22-07-2009 he tried to withdraw an amount of ₹ 5,00,000/- through a bogus person named Sri Ch.Venkatesarlu, impersonating as Attender, O/o.District Panchayat Officer, Krishna Dist. but failed, as the present District Panchayat Officer has ordered for stoppage, cheque presented for withdrawal when the matter was reported by the bank manager concerned over phone. Thus, he has withdrawn and misappropriated a total amount of ₹ 1,01,49,998/- for his personal ends from the said account as shown below:

Date of withdrawal	Amount with drawn	Amount deposited	Nature of withdrawal	Balance available
Balance available as on 31-01-09				1,55,03,766-00
31-03-2009	9,95,000-00		Ch.Sanjeev Kumar	1,45,08,766-00
31-03-2009	9,90,000-00		Ch.Sanjeev Kumar	1,35,18,766-00
31-03-2009	9,95,000-00		T.Subrahmanyam	1,25,23,766-00
31-03-2009	9,90,000-00		T.Subrahmanyam	1,15,33,766-00
31-03-2009	9,95,000-00		B.Rama Krishna	1,05,38,766-00
31-03-2009	9,85,000-00		B.Rama Krishna	95,53,766-00
17-07-2009	42,00,000-00		Self	53,53,766-00
22-07-2009	5,00,000-00		Self	48,53,766-00
22-07-2009		5,00,000-00 cr.		53,53,766-00

It is further noticed that the Administrative Officer has prepared a cheque for ₹ 1,26,00,000/- from Indian Bank, Governorpet Branch, Vijayawada on requesting to issue Demand Draft in favour of District Panchayat Officer, Krishna. The cheque was neither presented with the Indian Bank, Governorpeta Branch, Vijayawada to obtain the Demand Draft nor returned the cheque to the office. At present, the balance available in the said Account is ₹ 53,53,766/- only. Hence, there is no scope to present the cheque. However, the concerned Bank Manager was directed not to honour the said cheque if it is presented.

Regarding the maintenance of the cash books of accounts operated in connected banks, it is noticed as follows:

a) **Indian Bank, Governorpeta Branch Vijayawada:** Cash Book, Pass Book and Cheque Book against this account are not produced by the office during enquiry and it was informed the above are available with Sri Ch.Subrahmanyam, former District Panchayat Officer, Krishna Dist., Machilipatnam. The staff of O/o.District Panchayat Officer produced the acknowledgement given by the District Panchayat Officer to that effect.

b) **Andhra Bank, Machilipatnam:** Cash Book, Cheque Book and Pass Book are maintained and available with the office. The balance as on 25-07-2009 as per the bank statement is ₹ 34,60,288/-.

c) **ING Vysya Bank, Machilipatnam:** The cash book, Pass Book and Cheque Book are available in the office. The balance as on 01-04-2009 is ₹4,77,374/-.

On verification the following amounts were misappropriated by Sri Ch.Subrahmanyam for his personal ends,

Sl. No.	Bank from which irregularly withdrawn	Amount irregular withdrawn
1	Andhra Bank, ZP Branch, MACHILIPATNAM (Syndicate Bank)	13,80,000/-
2	ING Vysya Bank, Machilipatnam (Axis)	15,55,070 /-
3	Indian Bank, Governorpet, Vijayawada	1,01,49,994/-
	Total:	1,30,85,068/-

An account was opened with the Syndicate Bank, Machilipatnam through the funds drawn from Andhra Bank, ZP Branch, Machilipatnam and an account was opened with Axis Bank, Machilipatnam through the funds drawn from ING Vysya Bank. Both the accounts were operated by Sri Ch.Subrahmanyam alone without the knowledge of either the office of the District Panchayat Officer, Krishna or the Collector which is a grave irregularity.

In this connection, it is pertinent to mention that bearer cheques were issued and the persons who have encashed it and the role of the bankers also needs to be investigated to bring out the truth whether they are also hand in glove with the former District Panchayat Officer Sri Ch.Subrahmanyam in swindling the public money. Besides, certain self cheques were also issued by the former District Panchayat Officer Sri Ch.Subrahmanyam and encashed by himself. It is therefore evident that it is a clear case of criminal breach of trust by a responsible Government Servant i.e., Sri Ch.Subrahmanyam; former District Panchayat Officer, Krishna.

In this connection, it is to bring to the notice of the authorities, the above embezzlement of the funds to a tune of ₹ 1.3085 crores occurred single handedly by Sr iCh.Subrahmanyam, former District Panchayat Officer, Krishna as there is no mechanism of operation of bank accounts through drawal of cheques by way of joint signatures. Therefore, they strongly feel that this amount of misappropriation of funds could have been avoided, if the drawal of cheques was on joint signatures.

Further, in the listed document No.1 i.e. Roc.No.2145/09-Pts.5, dt.29-7-09 of collector report apart from the above findings of Ex.P.1, it is clearly mentioned that:

In this connection it is pertinent to mention that, he has taken the cheque book from the concerned Assistant on 30-3-2009 and given acknowledgement to that effect with the details of used and unused cheques. The unused cheques which

were handed over on 30-03-2009 are from Sl.No.540063 to 540025. The Cheque No.540063, 540064, 540067, 540068 were presented with the bank as if they were prepared on 26-03-2009, 27-03-2009 & 28-03-2009. As such it is clearly established that Sri Ch. Subrahmanyam has issued cheques with ante date. The connected Cheque Book, Pass Book and Cash Book which were taken from the concerned Assistant were not handed over to the office so far.

It is further noticed that the Administrative Officer has prepared a cheque for ₹ 1,26,00,000/- from Indian Bank, Governorpet Branch, Vijayawada on 28-3-2009 requesting to issue Demand Draft in favour of District Panchayat Officer, Krishna. The cheque was neither presented with the Indian Bank, Governorpeta Branch, Vijayawada to obtain the Demand Draft nor returned the cheque to the office. At present, the balance available in the said Account is ₹ 53,53,766/- only. Hence, there is no scope to present the cheque. However, the concerned Bank Manager was directed not to honour the said cheque if it is presented.

In this connection, it is submitted that the newly joined District Panchayat Officer i.e., Sri A.Naga Raju who joined on the AN of 17-07-2009, when conducting enquiry on PRAJAVANI matter at Pamarru Gram Panchayat on 22-07-2009, a phone message has been received from the Bank Manager, Indian Bank, Vijayawada wherein he wants confirmation whether the District Panchayat Officer is Sri Ch.Subrahmanyam or not? Since a cheque for ₹ 5,00,000/- was presented by Sri Ch.Subrahmanyam in the capacity of District Panchayat Officer for withdrawal. The District Panchayat Officer immediately rushed up to the Indian Bank, Governorpet Branch, Vijayawada and given a letter for stoppage of further payments if any without the signature of the present District Panchayat Officer. At the time of visit of the District Panchayat Officer to the Bank the Manager has stated that Sri Ch.Subrahmanyam, the then District Panchayat Officer has drawn ₹ 42,00,000/- on 17-07-2009. Thereafter, the District Panchayat Officer directed the Administrative Officer and also the concerned Junior Assistant to produce all the accounts relating to sand subject for verification. Then the Administrative Officer replied that the Bank pass book, cheque book and connected cash book relating to the Indian Bank, Governorpeta Branch, Vijayawada was handed over to the then District Panchayat Officer by the concerned Assistant under proper acknowledgement. Then it was asked to contact Sri Ch.Subrahmanyam immediately and get the connected records. Accordingly, the Administrative Officer has gone to Bapatla where he is working as Gazetted Instructor, Extension Training Center, Bapatla to get the pass book, cheque book etc., But the then District Panchayat Officer has not handed over the same and informed that he will handed over the same either on Saturday or on Sunday (25-07-2009 or 26-07-2009) at Machilipatnam.

In the ref. cited, Sri K.V.S.Satyanarayana, Administrative Officer, O/o District Panchayat Officer, Krishna Dist., Machilipatnam made a representation that Sri

Ch.Subrahmanyam who worked as District Panchayat Officer, Krishna up to 17-07-2009 has not handed over an important record relating to financial transactions of sand accounts. He further stated that he has asked the outgoing District Panchayat Officer at the time of handing over of charge about the sand file he replied that the D.Ds are under his personal custody, now he has to report at Bapatla immediately and hence the same will be handed over within two days. The same was brought to the notice of newly joined District Panchayat Officer. Accordingly, two days were waited but there is no response from Sri Ch.Subrahmanyam, the then District Panchayat Officer. Then as per the oral instructions of the District Panchayat Officer the Administrative Officer has gone to Bapatla to obtain the connected files and D.Ds, but in vein. He finally requested to take action for handing over of said records.

Therefore, the sand accounts available with the District Panchayat Officer, Krishna, Machilipatnam and the sand accounts pertaining to Zilla Parishad, Krishna, Machilipatnam since, Sri Ch.Subrahmanyam is holding additional charge to the post of Dy.Chief Executive Officer, and Chief Executive Officer of zilla Parishad, Krishna, were got verified with the following officers under the Chairmanship of Joint Collector in the presence of all the concerned Bank Managers.

- 1) District Revenue Officer, Krishna.
- 2) District Panchayat Officer, Krishna
- 3) Deputy Director, District Treasury, Krishna

The amount related to the Sand reaches covered by the Court stays and deposited in the Bank shall not be utilized for any purpose without the final orders of the Hon'ble High Court and District Level Sand Auction Committee headed by Joint Collector.

The amount credited up to 21-04-2007 related to sand reaches covered under stay orders was intact up to 10-03-2009.

The Seignorage amount credited into Z.P. General fund Account would have been transferred directly in to the Treasury PD accounts of the respective Mandal Parishads and Gram Panchayats by way of Book Adjustment. Opening of separate savings Account comes under gross financial irregularity.

But Sri Ch.Subrahmanyam, the then Deputy C.E.O.(FAC) has drawn the share of Gram Panchayats (₹1,59,56,531/-) and placed in Savings Bank Account in Axis Bank which is not a Nationalised Bank which is also a financial irregularity.

Even the Bankers would not have entertained self cheques.

The amount of ₹ 28,14,940/- withdrawn from Axis Bank, Machilipatnam has been deposited with Indian Bank, Governorpet Branch, Vijayawada hence, the amount had made good.

The Manager, Indian Bank has paid ₹5,00,000/- on 22-07-09 to one Sri Ch.Venkateswariu with a bogus designation of Attender, O/o the District Panchayat Officer, Krishna in whose favour a cheque was issued and attested by Sri Ch.Subrahmanyam, the then District Panchayat Officer though he was transferred and relieved on the A.N of 17-07-2009 and later was credited to the same account, knowing that fraud has taken place and credited in to the Account of District Panchayat Officer. Having known that it is clear fraud, the Manager would have directly handed over Sri Ch.Venkateswartu to police by filing a criminal case.

In view of the facts narrated above, it is clearly established fact that Sri Ch.Subrahmanyam, the then District Panchayat Officer, Krishna, Machilipatnam has misappropriated the entire amount of ₹ 1,30,85,058/- (Rupees One Crore Thirty Lakhs Eighty Five Thousand and Fifty Eight only) for his personal ends from the sand lease amounts.

Further, no where it is found that the CO.1 is disputing the Articles of Charges leveled against him by producing sufficient evidence to prove that he has not committed the irregularities. Hence, the silence of CO.1 itself proves that the Articles of Charges leveled against him are proved.

**CO.2:**

**Articles of Charge-I:** That Sri K.V.Satyanarayana, Administrative Office, O/o District Panchayat Officer, Krishna now under suspension had blindly prepared three cheques requesting for Demand Draft in favour the District Panchayat Officer, Krishna without proper verification and without following the rules and procedures prescribed for the process and their by given scope for misappropriation of ₹ 1,30,85,060/- by Sri Ch.Subrahmanyam the then District Panchayat Officer, Krishna

Thus, he had not shown devotion to his duty and not maintained absolute integrity discipline impartiality and a sense of propriety and there by violated rule 3 of APCS (Conduct) Rules 1964 and hence he is liable for initiation of disciplinary action under Rule 20 of APCS (CCA) Rules 1991.

**Articles of Charge-II:** That the cheque bearing No.540062 for ₹1,26,00,000/- from account No.16632 of Indian Bank Governorpet Branch, Vijayawada, requesting Demand Draft in favour of District Panchayat Officer, Krishna district, was not received by Sri Ch.Subrahmanyam the then District Panchayat Officer, Krishna and the cheque was neither available in the office nor presented in the bank. Sri K.V.Satyanarayana, Administrative Officer, O/o.District Panchayat Officer, Krishna now under suspension is responsible for the above lapse and hence liable for initiation of disciplinary action under Rule 20 of APCS (CCA) Rules, 1991.

In the basis of Charges, the Disciplinary Authority categorically mentioned about the irregularities of CO.2 in support of Articles of Charges.



To prove the charges, on behalf of Disciplinary Authority, examined PWs.1 & 2 and marked Exs.P1 to 4.

The argument made against CO.1 by referring Ex.P.1, Listed document No.1 and depositions of PWs. 1 & 2 are applicable to CO.2 and holds good.

Further, in the basis of charges, it is clearly mentioned that:

"Further, on the U.O Note and on the acknowledgment the particulars relating to Mulapadu sand reach (for ₹ 1,26,00,000/-) were struck off and hence it is crystal clear that the cheque was not received by Sri Ch.Subrahmanyam the then District Panchayat Officer, Krishna at Machilipatnam. Surprisingly the cheque was not available with the office and not presented with bank."

Further mentioned "As per the procedure prescribed, an office note has to be moved and the orders of the District Panchayat Officer, has to be obtained with reasons for withdrawal of the moneys from the bank even though U.O note was issued by the District Panchayat Officer. As such Sri K.V.S.Satyanarayana, Administrative Officer, O/o.District Panchayat Officer, Krishna at Machilipatnam has not followed any procedure and there by given scope for misappropriation of ₹ 1,30,85,060/- by Sri Ch.Subrahmanyam the then District Panchayat Officer, Krishna at Machilipatnam."

To prove the above basis of charge, apart from the depositions discussed in the argument of CO.1, during inquiry, PW.2 further deposed that:

He had gone through the copy of the U.O.Note.2 and it is found that there is struck off particulars relating to Mulapadu Sand reach and on the acknowledgment also it is found there is a struck off in Sl.No.3 i.e., Indian Bank, Governerpet Branch, Vijayawada Cheques No.540062, dt 28.03.2009 for ₹ 1,26,00,000/- in favour of District Panchayat Officer, Krishna Dist. towards Mulapadu Sand Reach lease amount. The said U.O.Note is marked as (Ex.P.2) .The said U.O.Note enclosed copies of three cheques the same is marked as (Ex.P.3) and the acknowledgment is marked as (Ex.P.4).

It is therefore submitted that basing on the above facts and exhibits it is clearly established that the Articles of charges leveled against the CO.2 are sustained.

**Written Arguments submitted to the Inquiring Authority by Sri K.V.S.Satyanarayana, former Administrative Officer, O/o.District Panchayat Officer, Krishna Dist. at Machilipatnam, CO-2:**

I, K.V.S.Satyanarayana, S/o.Krishna Murthy, aged about 71 Years, former Administrative Officer, office of the District Panchayat Officer, Krishna Dist. at Machilipatnam (now retired from service), resident of Kothapeta, East Godavari District do hereby solemnly affirm and sincerely state as follows:



I submit that I have attended the inquiry before the Hon'ble Member, Commissionerate of Inquiries, G.A.D, A.P.Secretariat on 10.01.2022. On completion of examination, I was communicated the Written Arguments submitted by the Presenting Officer on behalf of the Disciplinary Authority and called for my objections in the form of written arguments.

I submit that I have gone through the Written Arguments filed by the Presenting Officer against CO-2 and I deny all the allegations levelled against me and I submit my written arguments as follows:

I deny the allegations and submit that I have never violated the CCA Rules, and also submit that I have discharged my legitimate duties properly, sincerely and satisfactory.

I, (CO-2) herewith submitting the following written arguments on the arguments filed by Presenting Officer in respect of CO-2.

**Articles of Charge-I:** That Sri K.V.S.Satyanarayana, Administrative Officer, office of the District Panchayat Officer, Krishna Dist. at Machilipatnam had blindly prepared three cheques, requesting for demand draft in favour of the District Panchayat Officer, Krishna Dist. without proper verification and without following the rules and procedures prescribed for the process and thereby given scope for misappropriation of Rs.1,30,85,060/- by Sri Ch.Subrahmanyam, the then District Panchayat Officer, Krishna Dist.

Thus, he had not shown devotion to his duty and not maintained absolute integrity discipline impartiality and a sense of propriety and thereby violated Rule 3 of APCS (Conduct) Rules, 1964 and hence he is liable for initiation of disciplinary action under Rule 20 of A.P.C.S.(CCA) Rules, 1991.

**My Explanation on the Charge No.I:**

I deny the allegation levelled against me for the following reasons.

I submit that on 26.03.2009 Sri Ch.Subrahmanyam, the then District Panchayat Officer in person summoned me and issued U.O.Note to the Administrative Officer as follows:

The Administrative Officer, office of this office is instructed to prepare cheques in favour of District Panchayat Officer, Krishna Dist. at Machilipatnam for the following amounts which were covered under stay orders of Hon'ble High Court, Andhra Pradesh, Hyderabad relating to the sand reaches of Bobbarlanka, Nimmagadda, Pdeapulipaka and Mulapadu and handover the same to the District Panchayat Officer, Krishna Dist. so that to deposit the said amounts in separate

account in favour of District Panchayat Officer, Krishna Dist., Machilipatnam to settle the amounts to the A.D., Mines and Geology, Vijayawada.

- |   |                |
|---|----------------|
| 1. Bobbarlanka and Nimmagadda sand reaches: | Rs.19,26,000   |
| 2. Pedapulipaka Sand Reach                  | Rs.43,70,000   |
| 3. Mulapadu Sand Reach                      | Rs.1,26,00,000 |

The said U.O.Note was marked as Exhibit No.

Sri Ch.Subrahmanyam, the then District Panchayat Officer (CO-1) informed that the Chairperson, Zilla Parishad is pressing to handover the pending lease amounts of the above reaches for developmental activities pending finalization of the Writ Petitions before the Hon'ble High Court. CO-1 further informed that he has already discussed the matter with the District Collector.

I submit that as the case worker is on deputation to Election work and as per the U.O.Note officially issued by the District Panchayat Officer, I have prepared the cheques and requisitions for demand drafts in favour of the District Panchayat Officer and handedover the same in person on 28.03.2009 along with the connected file. The District Panchayat Officer issued acknowledgements for receipt of 3 cheques. The District Panchayat Officer himself obtained the demand drafts from the respective banks concerned.

I submit that on 31.03.2009, I requested the then District Panchayat Officer to return the file bearing No.C/8908/2009 (A4 and demand drafts). On my request the then District Panchayat Officer said that the important files, cheque books, pass books, demand drafts etc. shall be under the control of the District Panchayat Officer alone and he is responsible and accountable being the Head of the office and the same was not handover to me in spite of requests.

I submit that as per the instructions issued in G.O.Ms.No.1009, G.A.(Ser.C) Dept., dt.18.06.1965 (copy enclosed), it is made clear that inter-alia, it shall be the responsibility of the public servant to comply with the directions of the superiors duly obtaining a direction in writing wherever necessity/practicable. Therefore, I act in strict conformity with rules and procedures prescribed from time to time. I have never failed to follow the rules and prescribed procedures.

As per the instructions of the higher authority, I have prepared only the cheques and handed over to CO.1, who is the custodian of Bank Accounts, Cheque Books and other material.

Hence, I humbly submit that I have not violated any rules and followed the instructions of my superior Officer in the hierarchy in the office of the District Panchayat Officer unit and implemented his instructions with support of U.O.Note and acknowledgement.

In view of the above, I request that the articles of charges issued to me may kindly be dropped duly considering my explanation.

**Articles of Charge-II:** That the cheque bearing No.540032 for Rs.1,26,00,000/- from Account No.16632, Indian Bank, Governorpet Branch, Vijayawada requesting Demand Draft in favour of District Panchayat Officer, Krishna Dist. was not received by Sri Ch.Subrahmanyam, the then District Panchayat Officer, Krishna Dist. and cheque was neither available in the office nor presented in the Bank.

Sri K.V.Satyanarayana, Administrative Officer, office of the District Panchayat Officer, Krishna Dist. now under suspension is responsible for the above lapse and hence liable for initiation of disciplinary action under Rule 20 of A.P.C.S (CCA) Rules, 1991.

**My Explanation on the Charge No.2:**

I deny the allegation levelled against me for the following reasons.

I submit that basing on the instructions of the District Panchayat Officer on 26-03-2009; I prepared three cheques, requisition forms and handedover the same to the District Panchayat Officer. The cheque in question bearing No.540032 for Rs.1,26,00,000/- from Account No.16632, Indian Bank, Governorpet Branch, Vijayawada was also taken by the CO-1 and it is with the District Panchayat Officer. I requested him to return the uncashed cheque and he informed that the cheque was in Bank and said that he will take an action for the return of the cheque from the Bank.

After issuance of the Charge Memo to me, I have requested the Branch Manager, Indian Bank, Governorpet Branch of Vijayawada to inform the status of the said cheque. In his letter, dated 30.6.2015, the Branch Manager have informed that the said cheque was not presented in the branch after verified from their records (copy enclosed). I humbly submit that in view of the above, it was clear that the cheque for Rs.1,26,00,000/- was not presented by the CO-1, Sri Ch.Subrahmanyam, the then District Panchayat Officer, Krishna Dist. and hence there is no loss or misappropriation of funds. The contention of the District Panchayat Officer that the cheque is not available with him is not tenable and he is responsible for missing of the same. Hence, the charge is not maintainable against me on merits.

I further submit that as per the instructions of the CPR&RE, Andhra Pradesh, Hyderabad, the Additional Commissioner and Chief Accounts officer of the Commissionerate conducted detailed verification of records on 28.07.2009 and 29.07.2009 regarding the issue and submitted their common enquiry report. They submitted their report stating that it was revealed that it is a clear case criminal breach of trust by a responsible Government Servant, i.e., Sri Ch.Subrahmanyam,

the then District Panchayat Officer (copy enclosed). In their report it was nowhere mentioned that I am held responsible for the above misappropriation.

It is further submitted that in the proceedings No.2145/2009, dt.29.07.2009 of the Collector and District Magistrate, Krishna Dist. at Machilipatnam instructed the District Panchayat Officer, Sri A.Nagaraju to file a criminal case against Sri Ch.Subrahmanyam, formerly District Panchayat Officer only on the violation on the instructions issued under Rule 41 of Vigilance Act (copy enclosed). Unfortunately, though my name was not mentioned in the joint inquiry, a criminal case was also filed against me without any reasons.

I submit that I have filed a case before the 2<sup>nd</sup> Additional Judicial Magistrate of 1<sup>st</sup> Class, Machilipatnam for the discharge from the case filed against me by the Government u/s 239 of Cr.PC praying the Hon'ble Court to discharge from this case under Crl.MP No.11.15.2014 in CC No.70/2011. The same was dismissed on 18.11.2014 and I preferred Criminal Revision Petition and the Hon'ble High Court has been pleased to allow my appeal and issued orders as follows:

1. Once the FIR and settlements and other investigation material is totally lacking any roll of A-2 to array in the crime much less with privy, the trial court went wrong in dismissing the discharge application. Thus, there is no base or any ground for the embezzlement of amount of A-1 invested in his name and in his official capacity as the cheques and amounts were under the control of Jaya Prakasha Babu, Junior Assistant but even with the petitioner A-2.
2. Accordingly and in the result the revision petition is allowed by setting aside the dismissal order, dt.18.11.2014 in Cr.M.P.No.1115/2014 in CC No.70/2011 on the file of the 2<sup>nd</sup> Addl. Judicial Magistrate of 1<sup>st</sup> Class, Machilipatnam by allowing the same any by discharging the petitioner A-2 for no material against him to charge with A-1 and A-3 for any offence.

I submit that as per the orders of the Hon'ble High Court there is no part lies with me regarding the misappropriation of amounts by discharging the duties as Administrative Officer at District Panchayat Office, Krishna Dist., Machilipatnam.

Hence, I submit that the Hon'ble High Court also discharged me from the criminal case launched in this regard. I further submit that the Commissioner, Panchayat Raj and Rural Development Department was also recommended to the Government for my discharge in terms of the orders of the Hon'ble High Court.(copy enclosed)

In view of the facts submitted above, I request the Hon'ble Commissioner of inquiries, General Administration Department, Government of A.P. to kindly consider my submissions on humanitarian grounds and take necessary action for dropping of the above charges issued to me and drop further proceedings in the proposed disciplinary case under APCS (CC&A) Rules, 1991 as I am not responsible for the above irregularities.

I am herewith submitting the following material for favour of kind perusal and for necessary orders for my discharge from the charges issued against me.

1. U.O.Note given to me by the District Panchayat Officer.
2. Acknowledgement and three cheques.
3. Extract of G.O.Ms.No.1009, G.A.(Ser.C) Dept., dt.18.06.1965.
4. Joint verification report of the Additional Commissioner, PR and Accounts Officer, O/o.CPR&RE, A.P., Hyderabad.
5. Rule 41 of Vigilance Act.
6. Articles of Charges issued to me in the above departmental proceedings.
7. Letter given by the Branch Manager, Indian Bank, Governorpet, Vijayawada.
8. Orders of the Hon'ble High Court of A.P in CrI. Revision Petition No.210/2015 against the orders of IInd Additional Judicial 1<sup>st</sup> class Magistrate, Machilipatnam, dated 18.11.2014.
9. Letter No.7949/CPR&RE.G1/2009, dated 28.12,2017 of the CPR, A.P., Hyderabad,

For which I shall ever be grateful to you Sir.

#### **Analysis and Assessment:**

There are (2) Charged Officers figured in this case. CO-1 is the then Dist. Panchayat Officer, Krishna Dist. at Machilipatnam and CO-2 is the then Administrative Officer, O/o.DPO, Krishna Dist. at Machilipatnam. (2) charges were framed against each CO on the allegations of embezzlement of funds pertaining to sand seignorage.

During the course of inquiry (2) PWs were examined and recorded their depositions. Exhibits P1 to P4 were marked from prosecution side.

Charge-I framed against CO-1 is that he misappropriated an amount of Rs.1,30,85,068/- relating to sand seignorage.

The following amounts were misappropriated by CO-1 for his personal ends:

Sl.No	Bank from which irregularly withdrawn	Amount irregularly withdrawn
1.	Andhra Bank, Z.P.Branch, Machilipatnam (Syndicate Bank)	13,80,000-00
2.	ING Vysya Bank, Machilipatnam (Axis Bank)	15,55,070-00
3.	Indian Bank, Governorpet, Vijayawada	1,01,49,998-00
	Total:	1,30,85,068-00

During the examination of PW-1, he has deposed that he along with PW-2 conducted preliminary enquiry and gave report to the Commissioner, PR, which is marked as Ex.P1. The gist of the report is that the CO-1 has misappropriated an amount of Rs.1,30,85,068/-. The misappropriated amount pertains to amount received by auctioning of the sand. The amount was transferred to three personal accounts of CO-1 and after that he withdrew the amount by way of self cheques and bearer cheques. In his examination PW-2 also deposed that he stands by the joint enquiry report of Ex.P1.



CO-1 didn't turn up several hearings posted by this forum even without valid reasons. The forum has passed the exparte orders against CO-1 under sub-rule (20) of Rule 20 APCS (CC&A) Rules, 1991.

The PO in his written arguments has reiterated the imputations involved in the charge, contents of Ex.P1 and depositions of PW-1 and PW-2. Therefore, he has concluded that the Charge-I framed against CO-1 has to be established.

On perusal of the connected records, depositions of PW-1 and PW-2 and written arguments filed PO, the forum opined that the Charge-I framed against CO-1 is **held as proved**.

The Charge-II framed against CO-1 is that while he holding Full Additional Charge of the post of Chief Executive Officer and Dy.Chief Executive Officer during full additional charge period had transferred the Government funds to a private bank in violation of Govt. rules.

During the examination of PW-1, he has deposed that he along with PW-2 conducted preliminary enquiry and gave report to the Commissioner, PR, which is marked as Ex.P1 and PW-2 also stands by it.

As the exparte orders were passed against CO-1 under sub-rule (20) of Rule 20 APCS (CC&A) Rules, 1991 by this forum, who skipped several hearings posted by this forum without valid reasons, the PO in his written arguments has also reiterated the imputations involved in the charge, contents of Ex.P1 and depositions of PW-1 and PW-2. Therefore, he has concluded that the Charge-II framed against CO-1 has to be established.

On perusal of the connected records, depositions of PW-1 and PW-2 and written arguments filed PO, the forum opined that the Charge-II framed against CO-1 is **held as proved**.

(2) Charges were framed against CO-2, who is the then Administrative Officer, O/o.DPO, Krishna Dist. at Machilipatnam.

Charge-I framed against CO-2 is that had blindly prepared three cheques requesting for Demand Draft in favour of the then District Panchayat Officer, Krishna Dist. (CO-1) without proper verification and without following the rules and procedures prescribed for the process and thereby given scope for misappropriation of Rs.1,30,85,060/- by CO-1.

During the examination of PW-1, he has deposed that he along with PW-2 conducted preliminary enquiry and gave report to the Commissioner, PR, which is marked as Ex.P1. The gist of the report is that the CO-1 has misappropriated an amount of Rs.1,30,85,068/-. The misappropriated amount pertains to amount received by auctioning of the sand. The amount was transferred to three personal accounts of CO-1 and after that he withdrew the amount by way of self cheques



and bearer cheques. In his examination PW-2 also deposed that he stands by the joint enquiry report of Ex.P1. In his cross examination by the Defense Counsel for CO-2, he has deposed that the CO-2 is not responsible for misappropriation of Govt. funds.

The PO in his written arguments has reiterated the contents of the charge, contents of Ex.P1 to P4 and depositions of PW-1 and PW-2. Therefore, he has concluded that the Charge-I framed against CO-2 has to be established.

The CO-2 in his written arguments has stated that as the case-worker was on deputation to election work and as per U.O.Note issued by CO-1, he prepared the cheques and requisitions for demand drafts in favour of CO-1 and handed over (3) same to CO-1 on 28.03.2009 along with the connected file under proper acknowledgements. He further stated that he requested CO-1 to return the file bearing No.C/8908/2009 (A4 and demand drafts) but CO-1 refused for the same.

On perusal of the connected records, depositions of PWs, written arguments of PO as well as CO-2, the forum observed that on the directions of CO-1 through U.O.Note, CO-2 has prepared the cheques and requisitions for demand drafts in favour of CO-1 as stated in Charge-I under proper acknowledgement. Moreover, neither PW-1 nor PW-2 deposed anything against CO-2. Therefore, benefit of doubt goes to CO-2 and Charge-I framed against him is **held as not proved**.

The Charge-II framed against CO-2 is that the cheque bearing No.540062 for Rs.1,26,00,000/- from account No.16632 of Indian Bank, Governorpet Branch, Vijayawada, requesting Demand Draft in favour of CO-1, prepared by him was not received by CO-1 and the cheque was neither available in the office nor presented in the bank.

PW-2 in his examination has deposed that he has gone through the copy of the U.O.Note (Ex.P2) and it is found that there is struck off particulars relating to Mulapadu Sand reach and on the acknowledgment also. It is found that there is a struck off in Sl.No.3 i.e., Indian Bank, Governorpet Branch, Vijayawada Cheques No.540062, dt.28.03.2009 for Rs.1,26,00,000/- in favour of CO-1 towards Mulapadu Sand Reach lease amount. He has also gone through the copy of letter, dt.30-5-2015 (Ex.D1) of Indian Bank, Governorpet Branch, Vijayawada and wherein it was mentioned that the said cheque was not presented at their Branch as per their records.

The PO in his written arguments has reiterated the contents of deposition of PW-2 in respect of Charge-II framed against CO-2 and concludes that the Charge-II framed against him has to be established.

On perusal of the connected records, depositions of PWs, written arguments of PO as well as CO-2, the forum observed that it is a fact that CO-2 has prepared (3) cheques and handed over to CO-1 under proper acknowledgement. Though the 3<sup>rd</sup> column was struck off, the fact cannot be denied. The Bank itself acknowledged that the cheque was not presented. Moreover, the D.A. has failed to establish the charge that the said cheque was with CO-2 by producing sufficient oral/documentary evidence during the inquiry. Therefore, the Charge-II framed against CO-2 cannot be tenable and hence the charge is **held as not proved**.

**Findings:**

The Charges-I & II framed against CO-1 **are held as proved**. The Charges-I and II framed against CO-2 are **held as not proved**.

**R.P.THAKUR,**  
*Inquiring Authority.*

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